

Corresponding chapters in Varian (9th ed.)

As requested, chapter numbers and headings in the **9th edition** of Varian's Intermediate Microeconomics is given below. Please note that these are provided for your convenience only and that the official textbooks for the course are listed in the syllabus.

1. Consumer theory

- Preference.
- Budget constraint.
- Utility maximization.
- Two-period consumption model and leisure-consumption model.
- Expenditure minimization.
- Substitution and income effects.

Relevant Sections in Varian:

- Ch. 2 Budget Constraint.
- Ch. 3 Preferences.
- Ch. 4 Utility.
- Ch. 5 Choice.
- Ch. 6 Demand.
- Ch. 8 Slutsky Equation (As an additional reference only. Most of Chapter 8 concerns different definition of substitution effect than one used in the course. The course uses definition given in Ch. 8.8).
- Ch. 10 Intertemporal Choice.
- Ch. 12 Uncertainty.

2. Producer theory

- Production technology.
- Production in the short run.
- Production in the long run, cost minimization.
- Profit maximization.

Relevant Sections in Varian:

- Ch. 19 Technology.
- Ch. 20 Profit Maximization. Skip ‘The Organization of Firms’, ‘Profits and Stock Market Values’, ‘Comparative Statics’, ‘Inverse Factor Demand Curves’, and ‘Revealed Profitability’.
- Ch. 21 Cost Minimization. Skip ‘Revealed Cost Minimization’.
- Ch. 22 Cost Curves. Skip ‘Discrete Levels of Plant Size’.
- Ch. 23 Firm Supply.

3. Market Equilibrium

- Basics of Supply and Demand: Competitive Equilibrium, Market Demand, Short-Run Market Supply, and Long-Run Market Supply.
- Elasticities.
- Policy Intervention: Tax and Subsidies, Price Ceiling and Floor, Import Tariffs and Quotas.

Relevant Sections in Varian:

- Ch. 14 Consumer’s Surplus.
- Ch. 15 Market Demand.
- Ch. 16 Equilibrium.
- Ch. 24 Industry Supply.

4. Monopoly

- $MR = MC$ pricing.
- 1st degree price discrimination.
- 2nd degree price discrimination.
- 3rd degree price discrimination.

Relevant Sections in Varian:

- Ch. 25 Monopoly.
- Ch. 26 Monopoly Behavior. Skip ‘Bundling’, ‘Two-Part Tariffs’, ‘Monopolistic Competition’, ‘A Location Model of Product Differentiation’ (for now), ‘Product Differentiation’, and ‘More Vendors’.

5. Exchange

- Edgeworth box.
- Pareto optimality.
- Competitive equilibrium.
- Welfare theorems.

Relevant readings: class notes.

6. Oligopoly and Game Theory

- Strategic form games and Nash equilibrium.
- Cournot, Bertrand, and Hotelling competitions.
- Extensive form games and subgame perfect Nash equilibrium (time permitting).
- Applications of subgame perfect Nash equilibrium (time permitting).

Relevant Sections in Varian:

- Ch. 28 Oligopoly.
- Ch. 29 Game Theory.
- Ch. 30 Game Applications.